



For Immediate Release

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**STATE AUDIT CLEARS FIRST 5 CALIFORNIA;
NO EVIDENCE TAXPAYER FUNDS USED FOR POLITICAL ADVOCACY**

Report Affirms Commission's "Clear Legal Authority" to Conduct Advertising Campaign to Promote Benefits of Preschool for California's Children

SACRAMENTO, Calif. (Oct. 31, 2006) – An advertising campaign launched last year by First 5 California to promote the benefits of preschool did not constitute “political advocacy” or a misuse of public funds, according to a report released today by the California state auditor.

First 5 California, also known as the California Children and Families Commission, “had clear legal authority to conduct its public advertising campaigns related to [the benefits of preschool],” and “nothing in the advertisements constituted political advocacy,” the Bureau of State Audits (BSA) concluded after reviewing the timing and content of the ads.

“This audit has confirmed what the agency believed all along – that First 5 was following its legal mandate to educate Californians about programs that help California’s children get a successful start in life,” said Hector Ramirez, Chair of the Commission. “We’re pleased the report determined that the basis for launching the audit was unfounded.”

While the report cleared First 5 on the major concerns that first sparked the audit, it also identified issues related to contracting procedures.

“The commission acknowledges that many of these issues are legitimate and has already taken steps to shore up some of the weaknesses raised in the audit about our contracting procedures,” said Ramirez.

(m-o-r-e)

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“Other criticisms contained in the audit are frankly surprising,” Ramirez said, “since a 2004 BSA audit of the Commission’s contracting practices expressly stated that ‘the state commission consistently followed contracting rules applicable to all state agencies’”

Based on the 2004 finding, its own efforts, and the safeguards provided by other state agencies, Ramirez said the Commission had reason to believe it was complying with state contracting rules.

Even so, Ramirez said, the Commission appreciates the audit process because it cleared the Commission of concerns that it had improperly spent funds on political advocacy; it also will assist the Commission in meeting its goal of becoming one of California’s model contracting agencies. To establish additional safeguards, the Commission is bolstering its internal policies, guidelines, procedures and staff training programs.

“Our management team has a clear plan and is well on its way to making First 5 California one of the state’s most efficient agencies,” Ramirez said. “We are confident in our ability to resolve any outstanding issues so that we can focus on our mission to improve the lives of California’s youngest children.”

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A copy of First 5’s response to the BSA’s draft audit report and related information can be obtained at the commission’s Web site, www.ccfc.ca.gov.